



ANNUAL STATEMENT

For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code	0000	,	0000	NAIC Company Code	67032	Employer's ID Number	56-0340860
	(current period)		(prior period)				
Organized under the Laws of	North Carolina			State of Domicile or Port of Entry	NORTH CAROLINA		
Country of Domicile	United States of America						
Incorporated/Organized	02/28/1899			Commenced Business	04/01/1899		
Statutory Home Office	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Main Administrative Office	411 W. Chapel Hill Street						
	(Street and Number)						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Mail Address	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Primary Location of Books and Records	411 W. Chapel Hill Street						
	(Street and Number)						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Internet Website Address	ncmutuallife.com						
Statutory Statement Contact	Kamlesh Shah			(919) 313-7807			
	(Name)			(Area Code)(Telephone Number)			
	kshah@ncmutuallife.com			(919) 313-8723			
	(E-Mail Address)			(Fax Number)			

PRINCIPAL OFFICERS***

President and Chief Executive Officer	JAMES HERBERT SPEED JR., CPA
Senior Vice President-Chief Operating Officer	RICHARD LEE HALL
Sr. Vice President of Administration/Human Resources	GRACIE ANN JOHNSON-LOPEZ, SPHR
Vice President-Accounting Services	DAVID ALAN BAYLOCK
Vice President-Corporate Actuary	STAFFORD LEROY THOMPSON, JR, FSA, MAAA
Vice President-Group Marketing	ARTHELL DAMON DAVIS
Vice President-Individual Marketing	RONALD RUSSELL CORLEW

DIRECTORS***

CAROL MOSELEY BRAUN	ERSKINE BOYCE BOWLES	JULIUS LEVONNE CHAMBERS
BERT COLLINS, Chairman	JOE LOUIS DUDLEY, SR.	NATHAN TAYLOR GARRETT, SR.
ELLIOTT SAWYER HALL	JAMES HERBERT SPEED, JR.	THEODORE WALSTEIN LONG, JR.
PHAIL WYNN JR.		

State of North Carolina

County of Durham ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
James Herbert Speed, Jr.	Richard Curtis Barnes	David Alan Baylock
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President, CEO	Corporate Secretary	Vice President - Accounting Services
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

day of

(Notary Public Signature)

a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number	
2. Date filed	
3. Number of pages attached	



Participating and Non-Participating Contracts

I. PROCESS OF DIVIDEND DETERMINATION

The Contribution Method with the Three Factor Formula has generally been used in determining dividends.

II. DESCRIPTION OF EXPERIENCE FACTORS

a. Investment Income Factors:

Interest earnings, reduced by investment expenses and net taxes, have been used as a basis for the Investment Income Factor. All participating business of the Company issued prior to 1989 has been treated as a single experience factor class with respect to investment income and a common numerical value has been used for all such business. A modified dividend distribution rate with minor variation by plan has been used for 1989 and later issues.

b. Claim Factors:

Issue age, duration since issue and year of issue have been used in defining a claims factor class. Years of Issue have been grouped into four classes, (i) policies issued prior to 1948, (ii) policies issued between 1948 and March 1965, (iii) policies issued March 1965 through December 1988 and (iv) policies issued January 1, 1989 and later.

c. Expense Factors:

For policies issued prior to March 1965, the expense factor reflects a constant percentage of the difference between the gross premium and the net premium. For policies issued after March 1965 through 1988, the expense factor reflects variations by plan, issue age and duration since issue. For policies issued in 1989 and later, the expense factor reflects variations by plan, issue age and duration since issue.

d. Termination Factor:

Not taken into account.

No changes have been made in the basis used to determine these factors since the last filing of this statement.

III. GENERAL INTERROGATORIES

1. Has the contribution principle been followed in determining dividends or refunds?

Yes.

2. Has any material change occurred with respect to the determination of contract factors?

No.

3. Have there been any changes in the scales of dividends on new or existing business authorized for illustration by the company?

No.

4. Have there been any changes in the scales of dividends apportioned for payment?

Yes. Effective 1/1/2010, NC Mutual has suspended the annual payment and accrual of dividends due to operating losses incurred over the last several years. In affect the expense factor of the contribution method is more negative than the investment and claims factors are positive. This will not have an impact on the 2010 illustration of new products since NC Mutual's only participating product does not offer dividends in the first policy year.

5. For each major block of business, indicate when the dividend scale was last changed (including changes described in b. above) and indicate the extent of such change in terms of the percentage by which dividends or refunds payable under the new scale exceeded or were less than those that would have been paid in the year of change had the scale not been changed.

Dividends payable on Industrial life were eliminated in 2005.

Dividends were suspended December 3, 2009 with an effective date of 1/1/2010. Prior to this suspension, dividends payable on most Regular Ordinary plans of life insurance

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issued prior to 1989 were based on 120% of the scales used in 1996 for the same plans. Dividends payable on Ordinary life insurance issued between 1989 and 2001 were based on 50% of the same scales used in 2003. Dividends payable on Ordinary life insurance issued after 2008 were based on 80% of the same scales used in 2002.

6. Does the dividend scale incorporate the use of projections or forecasts of experience factors for any period in excess of two years beyond the effective date of the scale?

No.

7. In the basis of determining investment income experience factors, state whether the company uses (a) a portfolio average, (b) an investment generation approach, or (c) a combination of the two approaches.

Portfolio Average Approach has been used.

8. With respect to policy loan provisions:

- a. Describe how differences in such provisions affect dividends.

In the past few years, the company has issued some plans of insurance with a loan interest rate of 8%. All other policies have a 6% loan interest rate. The 8% loan interest rate policies reflect the difference in lower premium scales and also in the use of higher investment experience factor.

- b. Does the dividend or refund scale contain any provision for varying the amount of dividend or refund in accordance with the extent to which an individual contract's loan provision is utilized?

No.

9. Does the reporting entity pay termination dividends on its policies?

No.

10. Does the reporting entity maintain separate participating and non-participating accounts?

No.

11. Are any transfers made from a participating account to another participating, non-participating, or shareholders' account?

No.

12. Does the undersigned believe there is a substantial probability that, because of expected deterioration of experience, the dividends or refunds illustrated on new or existing business cannot be maintained for at least two years?

Yes. Dividends illustrated on 2009 new business generally do not occur until the third policy year. NC Mutual may have a difficult time resuming dividends in the next two years. However, its intention is to resume dividends as soon as financially feasible while maintaining the integrity of the illustration process.

13. Describe any aspects of the determination of the dividend or refund scale not covered above that involve material departures from the actuarial principles of the American Academy of Actuaries applicable to the determination of dividends.

None.

14. Describe any material changes in the basis of determination of the dividend scale that are not covered above.

None.

IV. ACTUARIAL OPINION

I, Stafford L. Thompson, Jr., am the Corporate Actuary of North Carolina Mutual Life Insurance Company and a Member of the American Academy of Actuaries. I have examined the actuarial assumptions and methods used in determining dividends under the dividend scales of the individual participating life insurance policies of the company issued for delivery in the United States. The dividends encompassed by these scales are both:

- i) Apportioned for payment during 2010, and
- ii) In effect as of January 1, 2010 that are illustrated for payment on new or existing business in 2011 and later that are authorized for illustration by the company.

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My examination included such review of the actuarial assumptions and methods, of the underlying basic records and such tests of the actuarial calculations as I considered necessary. In my opinion, these dividends have been determined in accordance with actuarial principles and practices of the American Academy of Actuaries applicable to the determination of dividends except as described above.

Stafford L. Thompson, Jr. FSA, MAAA
Vice President-Corporate Actuary

26, February 2010
Date